

In the Matter of the Merger
of **EAGLE PACIFIC INSURANCE**
COMPANY with and into
AMERICAN PROTECTION
INSURANCE COMPANY.

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No. G 2003 -102

NOTICE OF HEARING

TO: Brian Kreger
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John K. Conway, Corporate Secretary
Eagle Pacific Insurance Company
Post Office Box 91100
Seattle, Washington 98111

Eagle Pacific Insurance Company is a domestic Washington stock insurer. Eagle Pacific Insurance Company is owned by Kemper Employers Group, Inc., an Illinois corporation. The ultimate controlling person of Eagle Pacific Insurance Company is Lumbermens Mutual Casualty Company, an Illinois corporation.

American Protection Insurance Company is a domestic Illinois stock insurer. American Protection Insurance Company is owned by Kemper Financial Protection Inc., an Illinois Corporation. The ultimate controlling person of American Protection Insurance Company is Lumbermens Mutual Casualty Company, an Illinois Corporation.

Lumbermens Mutual Casualty Company has announced its intention to merge Eagle Pacific Insurance Company with and into American Protection Insurance Company. Eagle Pacific Insurance Company holds Washington Certificate of Authority No. 1192.

A merger involving a domestic Washington insurer is controlled by RCW 48.31.010. Pursuant to RCW 48.31.010, a Form "A" was submitted to the Insurance Commissioner on November 14, 2003.

YOU ARE HEREBY NOTIFIED a telephonic hearing will be held commencing Wednesday, December 3, 2003, at 10:00 a.m. from room no. 124 of the Insurance Commissioner's Office, 5000 Capitol Boulevard, Tumwater, Washington 98501, to consider the proposed merger of Eagle Pacific Insurance Company with and into American Protection Insurance Company.

The hearing will be held under the authority granted the Commissioner by Chapter 48.04 RCW and RCW 48.31.010. RCW 48.31.010 prescribes conditions upon which approval of the proposed merger shall be judged.

The Commissioner has not taken, and will not take, any position on this matter prior to entry of the hearing order.

Comments on or objections to the proposed merger must be received before 5:00 p.m., Tuesday, December 2, 2003. Comments or objections can be sent to the undersigned at the address shown below, or by e-mail to Jimo@oic.wa.gov.

All parties may participate in the hearing. They may examine witnesses and fully respond and present evidence and argument on all issues involved, as required by the Administrative Procedure Act. The hearing will be governed by the Administrative Procedure Act, Chapter 34.05 RCW, and the model rules of procedure contained in Chapter 10-08 WAC. A party who fails to attend or participate in any stage of the proceeding may be held in default in accordance with Chapter 34.05 RCW.

The Commissioner will be represented by Marshall R. McGinnis, Company Licensing Manager, and Ron Pastuch, Senior Financial Analyst.

Deputy Insurance Commissioner James T. Odiorne will hear and determine this matter. His address is Office of the Insurance Commissioner, Post Office Box 40259, Olympia, Washington 98504-0259. His telephone number is (360) 725-7214.

ENTERED AT OLYMPIA, WASHINGTON, this 24th day of November, 2003.

MIKE KREIDLER
Insurance Commissioner

By:

JAMES T. ODIORNE, CPA, JD
Deputy Insurance Commissioner
Company Supervision Division